

State Pension Review Board for purposes of making a determination under this subsection.

(c) If the State Pension Review Board determines that the pension system violated Section 6.142, Article 6243a-1, Revised Statutes, as added by this Act, the State Pension Review Board shall:

(1) not later than August 31, 2017:

(A) notify the board of trustees of the pension system and the mayor and city council of a city subject to Article 6243a-1, Revised Statutes, of its determination under this section; and

(B) publish notice of its determination under this section on the State Pension Review Board's Internet website; and

(2) as soon as practicable after August 31, 2017, publish notice of its determination under this section in the Texas Register.

(c-1) The State Pension Review Board shall make the determination described by Subsection (c) of this section based on the data or other information that:

(1) is in the State Pension Review Board's possession on or before August 31, 2017; and

(2) was provided with enough time for the State Pension Review Board to reasonably use the information to make a determination under this section.

(d) If, not later than August 31, 2017, the State Pension Review Board makes the determination described by Subsection (c) of this section, Article 1 of this Act has no effect.

Passed by the House on May 4, 2017: Yeas 141, Nays 0, 4 present, not voting; the House concurred in Senate amendments to H.B. No. 3158 on May 25, 2017: Yeas 142, Nays 0, 3 present, not voting; passed by the Senate, with amendments, on May 23, 2017: Yeas 30, Nays 0, 1 present, not voting.

Approved May 31, 2017.

Effective May 31, 2017, except as provided by §§ 3.02(b), 3.02(d).

**PROVISION OF CHILD PROTECTIVE SERVICES AND OTHER
HEALTH AND HUMAN SERVICES BY CERTAIN STATE
AGENCIES OR UNDER CONTRACT WITH A STATE AGENCY,
INCLUDING FOSTER CARE, CHILD PROTECTIVE, RELATIVE
AND KINSHIP CAREGIVER SUPPORT, PREVENTION AND
EARLY INTERVENTION HEALTH CARE, AND ADOPTION
SERVICES**

CHAPTER 319

S.B. No. 11

AN ACT

relating to the provision of child protective services and other health and human services by certain state agencies or under contract with a state agency, including foster care, child protective, relative and kinship caregiver support, prevention and early intervention health care, and adoption services.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 71.004, Family Code, is amended to read as follows:

Sec. 71.004. FAMILY VIOLENCE. "Family violence" means:

(1) an act by a member of a family or household against another member of the family or household that is intended to result in physical harm, bodily injury, assault,

or sexual assault or that is a threat that reasonably places the member in fear of imminent physical harm, bodily injury, assault, or sexual assault, but does not include defensive measures to protect oneself;

(2) abuse, as that term is defined by Sections 261.001(1)(C), (E), (G), (H), (I), (J), ~~and~~ (K), *and (M)*, by a member of a family or household toward a child of the family or household; or

(3) dating violence, as that term is defined by Section 71.0021.

SECTION 2. Section 107.002(b-1), Family Code, is amended to read as follows:

(b-1) In addition to the duties required by Subsection (b), a guardian ad litem appointed for a child in a proceeding under Chapter 262 or 263 shall:

(1) review the medical care provided to the child; ~~and~~

(2) in a developmentally appropriate manner, seek to elicit the child's opinion on the medical care provided; *and*

(3) *for a child at least 16 years of age, ascertain whether the child has received the following documents:*

(A) *a certified copy of the child's birth certificate;*

(B) *a social security card or a replacement social security card;*

(C) *a driver's license or personal identification certificate under Chapter 521, Transportation Code; and*

(D) *any other personal document the Department of Family and Protective Services determines appropriate.*

SECTION 3. Section 107.003(b), Family Code, is amended to read as follows:

(b) In addition to the duties required by Subsection (a), an attorney ad litem appointed for a child in a proceeding under Chapter 262 or 263 shall:

(1) review the medical care provided to the child;

(2) in a developmentally appropriate manner, seek to elicit the child's opinion on the medical care provided; *and*

(3) *for a child at least 16 years of age:*

(A) ~~;~~ *advise the child of the child's right to request the court to authorize the child to consent to the child's own medical care under Section 266.010; and*

(B) *ascertain whether the child has received the following documents:*

(i) *a certified copy of the child's birth certificate;*

(ii) *a social security card or a replacement social security card;*

(iii) *a driver's license or personal identification certificate under Chapter 521, Transportation Code; and*

(iv) *any other personal document the Department of Family and Protective Services determines appropriate.*

SECTION 4. Section 162.005, Family Code, is amended by adding Subsection (c) to read as follows:

(c) *The department shall ensure that each licensed child-placing agency, single source continuum contractor, or other person placing a child for adoption receives a copy of any portion of the report prepared by the department.*

SECTION 5. Section 162.0062, Family Code, is amended by adding Subsections (a-1) and (c-1) to read as follows:

(a-1) *If a child is placed with a prospective adoptive parent prior to adoption, the prospective adoptive parent is entitled to examine any record or other information relating to the child's health history, including the portion of the report prepared under Section 162.005 for the child that relates to the child's health. The department, licensed child-placing agency, single source continuum contractor, or other person placing a child for*

adoption shall inform the prospective adoptive parent of the prospective adoptive parent's right to examine the records and other information relating to the child's health history. The department, licensed child-placing agency, single source continuum contractor, or other person placing the child for adoption shall edit the records and information to protect the identity of the biological parents and any other person whose identity is confidential.

(c-1) If the prospective adoptive parents of a child indicate they want to proceed with the adoption under Subsection (c), the department, licensed child-placing agency, or single source continuum contractor shall provide the prospective adoptive parents with access to research regarding underlying health issues and other conditions of trauma that could impact child development and permanency.

SECTION 6. Section 162.007, Family Code, is amended by amending Subsection (a) and adding Subsection (g) to read as follows:

(a) The health history of the child must include information about:

- (1) the child's health status at the time of placement;
- (2) the child's birth, neonatal, and other medical, psychological, psychiatric, and dental history information, *including to the extent known by the department:*
 - (A) *whether the child's birth mother consumed alcohol during pregnancy; and*
 - (B) *whether the child has been diagnosed with fetal alcohol spectrum disorder;*
- (3) a record of immunizations for the child; and
- (4) the available results of medical, psychological, psychiatric, and dental examinations of the child.

(g) In this section, "fetal alcohol spectrum disorder" means any of a group of conditions that can occur in a person whose mother consumed alcohol during pregnancy.

SECTION 7. Section 261.001, Family Code, is amended by amending Subdivisions (1), (4), and (5) and adding Subdivision (3) to read as follows:

(1) "Abuse" includes the following acts or omissions by a person:

- (A) mental or emotional injury to a child that results in an observable and material impairment in the child's growth, development, or psychological functioning;
- (B) causing or permitting the child to be in a situation in which the child sustains a mental or emotional injury that results in an observable and material impairment in the child's growth, development, or psychological functioning;
- (C) physical injury that results in substantial harm to the child, or the genuine threat of substantial harm from physical injury to the child, including an injury that is at variance with the history or explanation given and excluding an accident or reasonable discipline by a parent, guardian, or managing or possessory conservator that does not expose the child to a substantial risk of harm;
- (D) failure to make a reasonable effort to prevent an action by another person that results in physical injury that results in substantial harm to the child;
- (E) sexual conduct harmful to a child's mental, emotional, or physical welfare, including conduct that constitutes the offense of continuous sexual abuse of young child or children under Section 21.02, Penal Code, indecency with a child under Section 21.11, Penal Code, sexual assault under Section 22.011, Penal Code, or aggravated sexual assault under Section 22.021, Penal Code;
- (F) failure to make a reasonable effort to prevent sexual conduct harmful to a child;
- (G) compelling or encouraging the child to engage in sexual conduct as defined by Section 43.01, Penal Code, including compelling or encouraging the child in a manner that constitutes an offense of trafficking of persons under Section 20A.02(a)(7) or (8), Penal Code, prostitution under Section 43.02(b), Penal Code, or compelling prostitution under Section 43.05(a)(2), Penal Code;

(H) causing, permitting, encouraging, engaging in, or allowing the photographing, filming, or depicting of the child if the person knew or should have known that the resulting photograph, film, or depiction of the child is obscene as defined by Section 43.21, Penal Code, or pornographic;

(I) the current use by a person of a controlled substance as defined by Chapter 481, Health and Safety Code, in a manner or to the extent that the use results in physical, mental, or emotional injury to a child;

(J) causing, expressly permitting, or encouraging a child to use a controlled substance as defined by Chapter 481, Health and Safety Code;

(K) causing, permitting, encouraging, engaging in, or allowing a sexual performance by a child as defined by Section 43.25, Penal Code; ~~or~~

(L) knowingly causing, permitting, encouraging, engaging in, or allowing a child to be trafficked in a manner punishable as an offense under Section 20A.02(a)(5), (6), (7), or (8), Penal Code, or the failure to make a reasonable effort to prevent a child from being trafficked in a manner punishable as an offense under any of those sections; or

(M) forcing or coercing a child to enter into a marriage.

(3) "Exploitation" means the illegal or improper use of a child or of the resources of a child for monetary or personal benefit, profit, or gain by an employee, volunteer, or other individual working under the auspices of a facility or program as further described by rule or policy.

(4) "Neglect":

(A) includes:

(i) the leaving of a child in a situation where the child would be exposed to a substantial risk of physical or mental harm, without arranging for necessary care for the child, and the demonstration of an intent not to return by a parent, guardian, or managing or possessory conservator of the child;

(ii) the following acts or omissions by a person:

(a) placing a child in or failing to remove a child from a situation that a reasonable person would realize requires judgment or actions beyond the child's level of maturity, physical condition, or mental abilities and that results in bodily injury or a substantial risk of immediate harm to the child;

(b) failing to seek, obtain, or follow through with medical care for a child, with the failure resulting in or presenting a substantial risk of death, disfigurement, or bodily injury or with the failure resulting in an observable and material impairment to the growth, development, or functioning of the child;

(c) the failure to provide a child with food, clothing, or shelter necessary to sustain the life or health of the child, excluding failure caused primarily by financial inability unless relief services had been offered and refused;

(d) placing a child in or failing to remove the child from a situation in which the child would be exposed to a substantial risk of sexual conduct harmful to the child; or

(e) placing a child in or failing to remove the child from a situation in which the child would be exposed to acts or omissions that constitute abuse under Subdivision (1)(E), (F), (G), (H), or (K) committed against another child; ~~or~~

(iii) the failure by the person responsible for a child's care, custody, or welfare to permit the child to return to the child's home without arranging for the necessary care for the child after the child has been absent from the home for any reason, including having been in residential placement or having run away; or

(iv) a negligent act or omission by an employee, volunteer, or other individual working under the auspices of a facility or program, including failure to comply with an individual treatment plan, plan of care, or individualized service plan,

that causes or may cause substantial emotional harm or physical injury to, or the death of, a child served by the facility or program as further described by rule or policy; and

(B) does not include the refusal by a person responsible for a child's care, custody, or welfare to permit the child to remain in or return to the child's home resulting in the placement of the child in the conservatorship of the department if:

(i) the child has a severe emotional disturbance;

(ii) the person's refusal is based solely on the person's inability to obtain mental health services necessary to protect the safety and well-being of the child; and

(iii) the person has exhausted all reasonable means available to the person to obtain the mental health services described by Subparagraph (ii).

(5) "Person responsible for a child's care, custody, or welfare" means a person who traditionally is responsible for a child's care, custody, or welfare, including:

(A) a parent, guardian, managing or possessory conservator, or foster parent of the child;

(B) a member of the child's family or household as defined by Chapter 71;

(C) a person with whom the child's parent cohabits;

(D) school personnel or a volunteer at the child's school; [or]

(E) personnel or a volunteer at a public or private child-care facility that provides services for the child or at a public or private residential institution or facility where the child resides; or

(F) *an employee, volunteer, or other person working under the supervision of a licensed or unlicensed child-care facility, including a family home, residential child-care facility, employer-based day-care facility, or shelter day-care facility, as those terms are defined in Chapter 42, Human Resources Code.*

SECTION 8. Subchapter A, Chapter 261, Family Code, is amended by adding Section 261.004 to read as follows:

Sec. 261.004. TRACKING OF RECURRENCE OF CHILD ABUSE OR NEGLECT REPORTS. (a) *The department shall collect and monitor data regarding repeated reports of abuse or neglect:*

(1) *involving the same child, including reports of abuse or neglect of the child made while the child resided in other households and reports of abuse or neglect of the child by different alleged perpetrators made while the child resided in the same household; or*

(2) *by the same alleged perpetrator.*

(b) *In monitoring reports of abuse or neglect under Subsection (a), the department shall group together separate reports involving different children residing in the same household.*

(c) *The department shall consider any report collected under Subsection (a) involving any child or adult who is a part of a child's household when making case priority determinations or when conducting service or safety planning for the child or the child's family.*

SECTION 9. Sections 261.301(b) and (c), Family Code, are amended to read as follows:

(b) A state agency shall investigate a report that alleges abuse, [or] neglect, or *exploitation* occurred in a facility operated, licensed, certified, or registered by that agency as provided by Subchapter E. In conducting an investigation for a facility operated, licensed, certified, registered, or listed by the department, the department shall perform the investigation as provided by:

(1) Subchapter E; and

(2) the Human Resources Code.

(c) The department is not required to investigate a report that alleges child abuse, ~~or~~ neglect, or exploitation by a person other than a person responsible for a child's care, custody, or welfare. The appropriate state or local law enforcement agency shall investigate that report if the agency determines an investigation should be conducted.

SECTION 10. Section 261.401(b), Family Code, is amended to read as follows:

(b) Except as provided by Section 261.404 of this code and Section 531.02013(1)(D), Government Code, a state agency that operates, licenses, certifies, registers, or lists a facility in which children are located or provides oversight of a program that serves children shall make a prompt, thorough investigation of a report that a child has been or may be abused, neglected, or exploited in the facility or program. The primary purpose of the investigation shall be the protection of the child.

SECTION 11. Sections 261.405(a) and (c), Family Code, are amended to read as follows:

(a) *Notwithstanding Section 261.001, in [It] this section:*

(1) *"Abuse" means an intentional, knowing, or reckless act or omission by an employee, volunteer, or other individual working under the auspices of a facility or program that causes or may cause emotional harm or physical injury to, or the death of, a child served by the facility or program as further described by rule or policy.*

(2) *"Exploitation" means the illegal or improper use of a child or of the resources of a child for monetary or personal benefit, profit, or gain by an employee, volunteer, or other individual working under the auspices of a facility or program as further described by rule or policy.*

(3) *"Juvenile justice facility" means a facility operated wholly or partly by the juvenile board, by another governmental unit, or by a private vendor under a contract with the juvenile board, county, or other governmental unit that serves juveniles under juvenile court jurisdiction. The term includes:*

(A) a public or private juvenile pre-adjudication secure detention facility, including a holdover facility;

(B) a public or private juvenile post-adjudication secure correctional facility except for a facility operated solely for children committed to the Texas Juvenile Justice Department; and

(C) a public or private non-secure juvenile post-adjudication residential treatment facility that is not licensed by the Department of Family and Protective Services or the Department of State Health Services.

(4) ~~[(2)]~~ *"Juvenile justice program" means a program or department operated wholly or partly by the juvenile board or by a private vendor under a contract with a juvenile board that serves juveniles under juvenile court jurisdiction. The term includes:*

(A) a juvenile justice alternative education program;

(B) a non-residential program that serves juvenile offenders under the jurisdiction of the juvenile court; and

(C) a juvenile probation department.

(5) *"Neglect" means a negligent act or omission by an employee, volunteer, or other individual working under the auspices of a facility or program, including failure to comply with an individual treatment plan, plan of care, or individualized service plan, that causes or may cause substantial emotional harm or physical injury to, or the death of, a child served by the facility or program as further described by rule or policy.*

(c) The Texas Juvenile Justice Department shall make a prompt, thorough ~~conduct an~~ investigation as provided by this chapter if that department receives a report of alleged abuse, neglect, or exploitation in any juvenile justice program or facility. The primary purpose of the investigation shall be the protection of the child.

SECTION 12. Section 263.401, Family Code, is amended to read as follows:

Sec. 263.401. DISMISSAL AFTER ONE YEAR; NEW TRIALS; EXTENSION. (a) Un-

less the court has commenced the trial on the merits or granted an extension under Subsection (b) or (b-1), on the first Monday after the first anniversary of the date the court rendered a temporary order appointing the department as temporary managing conservator, the *court's jurisdiction over* ~~[court shall dismiss]~~ the suit affecting the parent-child relationship filed by the department that requests termination of the parent-child relationship or requests that the department be named conservator of the child *is terminated and the suit is automatically dismissed without a court order.*

(b) Unless the court has commenced the trial on the merits, the court may not retain the suit on the court's docket after the time described by Subsection (a) unless the court finds that extraordinary circumstances necessitate the child remaining in the temporary managing conservatorship of the department and that continuing the appointment of the department as temporary managing conservator is in the best interest of the child. If the court makes those findings, the court may retain the suit on the court's docket for a period not to exceed 180 days after the time described by Subsection (a). If the court retains the suit on the court's docket, the court shall render an order in which the court:

(1) schedules the new date on which the suit will be *automatically* dismissed if the trial on the merits has not commenced, which date must be not later than the 180th day after the time described by Subsection (a);

(2) makes further temporary orders for the safety and welfare of the child as necessary to avoid further delay in resolving the suit; and

(3) sets the trial on the merits on a date not later than the date specified under Subdivision (1).

(b-1) If, after commencement of the initial trial on the merits within the time required by Subsection (a) or (b), the court grants a motion for a new trial or mistrial, or the case is remanded to the court by an appellate court following an appeal of the court's final order, the court shall retain the suit on the court's docket and render an order in which the court:

(1) schedules a new date on which the suit will be *automatically* dismissed if the new trial has not commenced, which must be a date not later than the 180th day after the date on which:

(A) the motion for a new trial or mistrial is granted; or

(B) the appellate court remanded the case;

(2) makes further temporary orders for the safety and welfare of the child as necessary to avoid further delay in resolving the suit; and

(3) sets the new trial on the merits for a date not later than the date specified under Subdivision (1).

(c) If the court grants an extension under Subsection (b) or (b-1) but does not commence the trial on the merits before the dismissal date, the *court's jurisdiction over* ~~[court shall dismiss]~~ the suit *is terminated and the suit is automatically dismissed without a court order.* The court may not grant an additional extension that extends the suit beyond the required date for dismissal under Subsection (b) or (b-1), as applicable.

SECTION 13. Section 263.402, Family Code, is amended to read as follows:

Sec. 263.402. LIMIT ON EXTENSION~~[- WAIVER]~~. ~~[(a)]~~ The parties to a suit under this chapter may not extend the deadlines set by the court under this subchapter by agreement or otherwise.

~~[(b)] A party to a suit under this chapter who fails to make a timely motion to dismiss the suit under this subchapter waives the right to object to the court's failure to dismiss the suit. A motion to dismiss under this subsection is timely if the motion is made before the trial on the merits commences.~~

SECTION 14. Section 264.018, Family Code, is amended by adding Subsections (d-1) and (d-2) to read as follows:

(d-1) *Except as provided by Subsection (d-2), as soon as possible but not later than 24 hours after a change in placement of a child in the conservatorship of the department, the*

department shall give notice of the placement change to the managed care organization that contracts with the commission to provide health care services to the child under the STAR Health program. The managed care organization shall give notice of the placement change to the primary care physician listed in the child's health passport before the end of the second business day after the day the organization receives the notification from the department.

(d-2) In this subsection, "catchment area" has the meaning assigned by Section 264.152. In a catchment area in which community-based care has been implemented, the single source continuum contractor that has contracted with the commission to provide foster care services in that catchment area shall, as soon as possible but not later than 24 hours after a change in placement of a child in the conservatorship of the department, give notice of the placement change to the managed care organization that contracts with the commission to provide health care services to the child under the STAR Health program. The managed care organization shall give notice of the placement change to the child's primary care physician in accordance with Subsection (d-1).

SECTION 15. (a) Subchapter B, Chapter 264, Family Code, is amended by adding Section 264.1076 to read as follows:

Sec. 264.1076. **MEDICAL EXAMINATION REQUIRED.** (a) This section applies only to a child who has been taken into the conservatorship of the department and remains in the conservatorship of the department for more than three business days.

(b) The department shall ensure that each child described by Subsection (a) receives an initial medical examination from a physician or other health care provider authorized under state law to conduct medical examinations not later than the end of the third business day after the date the child is removed from the child's home, if the child:

(1) is removed as the result of sexual abuse, physical abuse, or an obvious physical injury to the child; or

(2) has a chronic medical condition, a medically complex condition, or a diagnosed mental illness.

(c) Notwithstanding Subsection (b), the department shall ensure that any child who enters the conservatorship of the department receives any necessary emergency medical care as soon as possible.

(d) A physician or other health care provider conducting an examination under Subsection (b) may not administer a vaccination as part of the examination without parental consent, except that a physician or other health care provider may administer a tetanus vaccination to a child in a commercially available preparation if the physician or other health care provider determines that an emergency circumstance requires the administration of the vaccination. The prohibition on the administration of a vaccination under this subsection does not apply after the department has been named managing conservator of the child after a hearing conducted under Subchapter C, Chapter 262.

(e) Whenever possible, the department shall schedule the medical examination for a child before the last business day of the appropriate time frame provided under Subsection (b).

(f) The department shall collaborate with the commission and selected physicians and other health care providers authorized under state law to conduct medical examinations to develop guidelines for the medical examination conducted under this section, including guidelines on the components to be included in the examination. The guidelines developed under this subsection must provide assistance and guidance regarding:

(1) assessing a child for:

(A) signs and symptoms of child abuse and neglect;

(B) the presence of acute or chronic illness; and

(C) signs of acute or severe mental health conditions;

(2) monitoring a child's adjustment to being in the conservatorship of the department;

(3) ensuring a child has necessary medical equipment and any medication prescribed to the child or needed by the child; and

(4) providing appropriate support and education to a child's caregivers.

(g) Notwithstanding any other law, the guidelines developed under Subsection (f) do not create a standard of care for a physician or other health care provider authorized under state law to conduct medical examinations, and a physician or other health care provider may not be subject to criminal, civil, or administrative penalty or civil liability for failure to adhere to the guidelines.

(h) The department shall make a good faith effort to contact a child's primary care physician to ensure continuity of care for the child regarding medication prescribed to the child and the treatment of any chronic medical condition.

(i) Not later than December 31, 2019, the department shall submit a report to the standing committees of the house of representatives and the senate with primary jurisdiction over child protective services and foster care evaluating the statewide implementation of the medical examination required by this section. The report must include the level of compliance with the requirements of this section in each region of the state.

(b) Section 264.1076, Family Code, as added by this section, applies only to a child who enters the conservatorship of the Department of Family and Protective Services on or after the effective date of this Act. A child who enters the conservatorship of the Department of Family and Protective Services before the effective date of this Act is governed by the law in effect on the date the child entered the conservatorship of the department, and the former law is continued in effect for that purpose.

(c) The Department of Family and Protective Services shall implement Section 264.1076, Family Code, as added by this section, not later than December 31, 2018.

SECTION 16. (a) Subchapter B, Chapter 264, Family Code, is amended by adding Section 264.1252 to read as follows:

Sec. 264.1252. *FOSTER PARENT RECRUITMENT STUDY.* (a) In this section, "young adult caregiver" means a person who:

(1) is at least 21 years of age but younger than 36 years of age; and

(2) provides foster care for children who are 14 years of age and older.

(b) The department shall conduct a study on the feasibility of developing a program to recruit and provide training for young adult caregivers.

(c) The department shall complete the study not later than December 31, 2018. In evaluating the feasibility of the program, the department shall consider methods to recruit young adult caregivers and the potential impact that the program will have on the foster children participating in the program, including whether the program may result in:

(1) increased placement stability;

(2) fewer behavioral issues;

(3) fewer instances of foster children running away from a placement;

(4) increased satisfactory academic progress in school;

(5) increased acquisition of independent living skills; and

(6) an improved sense of well-being.

(d) The department shall report the results of the study to the governor, lieutenant governor, speaker of the house of representatives, and members of the legislature as soon as possible after the study is completed.

(e) This section expires September 1, 2019.

(b) As soon as practicable after the effective date of this Act, the Department of Family and Protective Services shall begin the study required by Section 264.1252, Family Code, as added by this section.

SECTION 17. (a) Subchapter B, Chapter 264, Family Code, is amended by adding

Sections 264.1261 and 264.128 to read as follows:

Sec. 264.1261. FOSTER CARE CAPACITY NEEDS PLAN. (a) In this section, "community-based care" has the meaning assigned by Section 264.152.

(b) Appropriate department management personnel from a child protective services region in which community-based care has not been implemented, in collaboration with foster care providers, faith-based entities, and child advocates in that region, shall use data collected by the department on foster care capacity needs and availability of each type of foster care and kinship placement in the region to create a plan to address the substitute care capacity needs in the region. The plan must identify both short-term and long-term goals and strategies for addressing those capacity needs.

(c) A foster care capacity needs plan developed under Subsection (b) must be:

- (1) submitted to and approved by the commissioner; and*
- (2) updated annually.*

(d) The department shall publish each initial foster care capacity needs plan and each annual update to a plan on the department's Internet website.

Sec. 264.128. SINGLE CHILD PLAN OF SERVICE INITIATIVE. (a) In this section, "community-based care" has the meaning assigned by Section 264.152.

(b) In regions of the state where community-based care has not been implemented, the department shall:

- (1) collaborate with child-placing agencies to implement the single child plan of service model developed under the single child plan of service initiative; and*
- (2) ensure that a single child plan of service is developed for each child in foster care in those regions.*

(b) Notwithstanding Section 264.128(b), Family Code, as added by this section, the Department of Family and Protective Services shall develop and implement a single child plan of service for each child in foster care in a region of the state described by that section not later than September 1, 2017.

SECTION 18. (a) Chapter 264, Family Code, is amended by adding Subchapter B-1 to read as follows:

SUBCHAPTER B-1. COMMUNITY-BASED CARE

Sec. 264.151. LEGISLATIVE INTENT. (a) It is the intent of the legislature that the department contract with community-based nonprofit and local governmental entities that have the ability to provide child welfare services. The services provided by the entities must include direct case management to ensure child safety, permanency, and well-being, in accordance with state and federal child welfare goals.

(b) It is the intent of the legislature that the provision of community-based care for children be implemented with measurable goals relating to:

- (1) the safety of children in placements;*
- (2) the placement of children in each child's home community;*
- (3) the provision of services to children in the least restrictive environment possible and, if possible, in a family home environment;*
- (4) minimal placement changes for children;*
- (5) the maintenance of contact between children and their families and other important persons;*
- (6) the placement of children with siblings;*
- (7) the provision of services that respect each child's culture;*
- (8) the preparation of children and youth in foster care for adulthood;*
- (9) the provision of opportunities, experiences, and activities for children and youth in foster care that are available to children and youth who are not in foster care;*

(10) the participation by children and youth in making decisions relating to their own lives;

(11) the reunification of children with the biological parents of the children when possible; and

(12) the promotion of the placement of children with relative or kinship caregivers if reunification is not possible.

Sec. 264.152. DEFINITIONS. Except as otherwise provided, in this subchapter:

(1) "Alternative caregiver" means a person who is not the foster parent of the child and who provides temporary care for the child for more than 12 hours but less than 60 days.

(2) "Case management" means the provision of case management services to a child for whom the department has been appointed temporary or permanent managing conservator or to the child's family, a young adult in extended foster care, a relative or kinship caregiver, or a child who has been placed in the catchment area through the Interstate Compact on the Placement of Children, and includes:

(A) caseworker visits with the child;

(B) family and caregiver visits;

(C) convening and conducting permanency planning meetings;

(D) the development and revision of child and family plans of service, including a permanency plan and goals for a child or young adult in care;

(E) the coordination and monitoring of services required by the child and the child's family;

(F) the assumption of court-related duties regarding the child, including:

(i) providing any required notifications or consultations;

(ii) preparing court reports;

(iii) attending judicial and permanency hearings, trials, and mediations;

(iv) complying with applicable court orders; and

(v) ensuring the child is progressing toward the goal of permanency within state and federally mandated guidelines; and

(G) any other function or service that the department determines necessary to allow a single source continuum contractor to assume responsibility for case management.

(3) "Catchment area" means a geographic service area for providing child protective services that is identified as part of community-based care.

(4) "Community-based care" means the foster care redesign required by Chapter 598 (S.B. 218), Acts of the 82nd Legislature, Regular Session, 2011, as designed and implemented in accordance with the plan required by Section 264.153.

Sec. 264.154. QUALIFICATIONS OF SINGLE SOURCE CONTINUUM CONTRACTOR; SELECTION. (a) To enter into a contract with the commission or department to serve as a single source continuum contractor to provide foster care service delivery, an entity must be a nonprofit entity that has an organizational mission focused on child welfare or a governmental entity.

(b) In selecting a single source continuum contractor, the department shall consider whether a prospective contractor for a catchment area has demonstrated experience in providing services to children and families in the catchment area.

Sec. 264.155. REQUIRED CONTRACT PROVISIONS. A contract with a single source continuum contractor to provide community-based care services in a catchment area must include provisions that:

(1) establish a timeline for the implementation of community-based care in the catchment area, including a timeline for implementing:

(A) case management services for children, families, and relative and kinship caregivers receiving services in the catchment area; and

(B) family reunification support services to be provided after a child receiving services from the contractor is returned to the child's family;

(2) establish conditions for the single source continuum contractor's access to relevant department data and require the participation of the contractor in the data access and standards governance council created under Section 264.159;

(3) require the single source continuum contractor to create a single process for the training and use of alternative caregivers for all child-placing agencies in the catchment area to facilitate reciprocity of licenses for alternative caregivers between agencies, including respite and overnight care providers, as those terms are defined by department rule;

(4) require the single source continuum contractor to maintain a diverse network of service providers that offer a range of foster capacity options and that can accommodate children from diverse cultural backgrounds;

(5) allow the department to conduct a performance review of the contractor beginning 18 months after the contractor has begun providing case management and family reunification support services to all children and families in the catchment area and determine if the contractor has achieved any performance outcomes specified in the contract;

(6) following the review under Subdivision (5), allow the department to:

(A) impose financial penalties on the contractor for failing to meet any specified performance outcomes; or

(B) award financial incentives to the contractor for exceeding any specified performance outcomes;

(7) require the contractor to give preference for employment to employees of the department:

(A) whose position at the department is impacted by the implementation of community-based care; and

(B) who are considered by the department to be employees in good standing;

(8) require the contractor to provide preliminary and ongoing community engagement plans to ensure communication and collaboration with local stakeholders in the catchment area, including any of the following:

(A) community faith-based entities;

(B) the judiciary;

(C) court-appointed special advocates;

(D) child advocacy centers;

(E) service providers;

(F) foster families;

(G) biological parents;

(H) foster youth and former foster youth;

(I) relative or kinship caregivers;

(J) child welfare boards, if applicable;

(K) attorneys ad litem;

(L) attorneys that represent parents involved in suits filed by the department; and

(M) any other stakeholders, as determined by the contractor; and

(9) require that the contractor comply with any applicable court order issued by a court of competent jurisdiction in the case of a child for whom the contractor has assumed case management responsibilities or an order imposing a requirement on the

department that relates to functions assumed by the contractor.

Sec. 264.156. READINESS REVIEW PROCESS FOR COMMUNITY-BASED CARE CONTRACTOR. (a) *The department shall develop a formal review process to assess the ability of a single source continuum contractor to satisfy the responsibilities and administrative requirements of delivering foster care services and services for relative and kinship caregivers, including the contractor's ability to provide:*

- (1) case management services for children and families;*
- (2) evidence-based, promising practice, or evidence-informed supports for children and families; and*

(3) sufficient available capacity for inpatient and outpatient services and supports for children at all service levels who have previously been placed in the catchment area.

(b) As part of the readiness review process, the single source continuum contractor must prepare a plan detailing the methods by which the contractor will avoid or eliminate conflicts of interest. The department may not transfer services to the contractor until the department has determined the plan is adequate.

(c) The department and commission must develop the review process under Subsection (a) before the department may expand community-based care outside of the initial catchment areas where community-based care has been implemented.

(d) If after conducting the review process developed under Subsection (a) the department determines that a single source continuum contractor is able to adequately deliver foster care services and services for relative and kinship caregivers in advance of the projected dates stated in the timeline included in the contract with the contractor, the department may adjust the timeline to allow for an earlier transition of service delivery to the contractor.

Sec. 264.157. EXPANSION OF COMMUNITY-BASED CARE. (a) *Not later than December 31, 2019, the department shall:*

- (1) identify not more than eight catchment areas in the state that are best suited to implement community-based care; and*
- (2) following the implementation of community-based care services in those catchment areas, evaluate the implementation process and single source continuum contractor performance in each catchment area.*

(b) Notwithstanding the process for the expansion of community-based care described in Subsection (a), and in accordance with the community-based care implementation plan developed under Section 264.153, beginning September 1, 2017, the department shall begin accepting applications from entities to provide community-based care services in a designated catchment area.

(c) In expanding community-based care, the department may change the geographic boundaries of catchment areas as necessary to align with specific communities.

(d) The department shall ensure the continuity of services for children and families during the transition period to community-based care in a catchment area.

Sec. 264.158. TRANSFER OF CASE MANAGEMENT SERVICES TO SINGLE SOURCE CONTINUUM CONTRACTOR. (a) *In each initial catchment area where community-based care has been implemented or a contract with a single source continuum contractor has been executed before September 1, 2017, the department shall transfer to the single source continuum contractor providing foster care services in that area:*

- (1) the case management of children, relative and kinship caregivers, and families receiving services from that contractor; and*

(2) family reunification support services to be provided after a child receiving services from the contractor is returned to the child's family for the period of time ordered by the court.

(b) The commission shall include a provision in a contract with a single source continuum contractor to provide foster care services and services for relative and kinship

caregivers in a catchment area to which community-based care is expanded after September 1, 2017, that requires the transfer to the contractor of the provision of:

- (1) the case management services for children, relative and kinship caregivers, and families in the catchment area where the contractor will be operating; and
 - (2) family reunification support services to be provided after a child receiving services from the contractor is returned to the child's family.
- (c) The department shall collaborate with a single source continuum contractor to establish an initial case transfer planning team to:
- (1) address any necessary data transfer;
 - (2) establish file transfer procedures; and
 - (3) notify relevant persons regarding the transfer of services to the contractor.

Sec. 264.159. DATA ACCESS AND STANDARDS GOVERNANCE COUNCIL.

(a) The department shall create a data access and standards governance council to develop protocols for the electronic transfer of data from single source continuum contractors to the department to allow the contractors to perform case management functions.

(b) The council shall develop protocols for the access, management, and security of case data that is electronically shared by a single source continuum contractor with the department.

Sec. 264.160. LIABILITY INSURANCE REQUIREMENTS. A single source continuum contractor and any subcontractor of the single source continuum contractor providing community-based care services shall maintain minimum insurance coverage, as required in the contract with the department, to minimize the risk of insolvency and protect against damages. The executive commissioner may adopt rules to implement this section.

Sec. 264.161. STATUTORY DUTIES ASSUMED BY CONTRACTOR. Except as provided by Section 264.163, a single source continuum contractor providing foster care services and services for relative and kinship caregivers in a catchment area must, either directly or through subcontractors, assume the statutory duties of the department in connection with the delivery of foster care services and services for relative and kinship caregivers in that catchment area.

Sec. 264.162. REVIEW OF CONTRACTOR PERFORMANCE. The department shall develop a formal review process to evaluate a single source continuum contractor's implementation of placement services and case management services in a catchment area.

Sec. 264.163. CONTINUING DUTIES OF DEPARTMENT. In a catchment area in which a single source continuum contractor is providing family-based safety services or community-based care services, legal representation of the department in an action under this code shall be provided in accordance with Section 264.009.

Sec. 264.164. CONFIDENTIALITY. (a) The records of a single source continuum contractor relating to the provision of community-based care services in a catchment area are subject to Chapter 552, Government Code, in the same manner as the records of the department are subject to that chapter.

(b) Subchapter C, Chapter 261, regarding the confidentiality of certain case information, applies to the records of a single source continuum contractor in relation to the provision of services by the contractor.

Sec. 264.165. NOTICE REQUIRED FOR EARLY TERMINATION OF CONTRACT.

(a) A single source continuum contractor may terminate a contract entered into under this subchapter by providing notice to the department and the commission of the contractor's intent to terminate the contract not later than the 60th day before the date of the termination.

(b) The department may terminate a contract entered into with a single source continuum contractor under this subchapter by providing notice to the contractor of the department's intent to terminate the contract not later than the 30th day before the date of termination.

Sec. 264.166. CONTINGENCY PLAN IN EVENT OF EARLY CONTRACT TERMINATION. (a) In each catchment area in which community-based care is implemented, the department shall create a contingency plan to ensure the continuity of services for children and families in the catchment area in the event of an early termination of the contract with the single source continuum contractor providing foster care services in that catchment area.

(b) To support each contingency plan, the single source continuum contractor providing foster care services in that catchment area, subject to approval by the department, shall develop a transfer plan to ensure the continuity of services for children and families in the catchment area in the event of an early termination of the contract with the department. The contractor shall submit an updated transfer plan each year and six months before the end of the contract period, including any extension. The department is not limited or restricted in requiring additional information from the contractor or requiring the contractor to modify the transfer plan as necessary.

(c) If a single source continuum contractor gives notice to the department of an early contract termination, the department may enter into a contract with a different contractor for the sole purpose of assuming the contract that is being terminated.

Sec. 264.167. ATTORNEY-CLIENT PRIVILEGE. An employee, agent, or representative of a single source continuum contractor is considered to be a client's representative of the department for purposes of the privilege under Rule 503, Texas Rules of Evidence, as that privilege applies to communications with a prosecuting attorney or other attorney representing the department, or the attorney's representatives, in a proceeding under this subtitle.

Sec. 264.168. REVIEW OF CONTRACTOR RECOMMENDATIONS BY DEPARTMENT. (a) Notwithstanding any other provision of this subchapter governing the transfer of case management authority to a single source continuum contractor, the department may review, approve, or disapprove a contractor's recommendation with respect to a child's permanency goal.

(b) Subsection (a) may not be construed to limit or restrict the authority of the department to include necessary oversight measures and review processes to maintain compliance with federal and state requirements in a contract with a single source continuum contractor.

(c) The department shall develop an internal dispute resolution process to decide disagreements between a single source continuum contractor and the department.

Sec. 264.169. PILOT PROGRAM FOR FAMILY-BASED SAFETY SERVICES. (a) In this section, "case management services" means the direct delivery and coordination of a network of formal and informal activities and services in a catchment area where the department has entered into, or is in the process of entering into, a contract with a single source continuum contractor to provide family-based safety services and case management and includes:

- (1) caseworker visits with the child and all caregivers;
- (2) family visits;
- (3) family group conferencing or family group decision-making;
- (4) development of the family plan of service;
- (5) monitoring, developing, securing, and coordinating services;
- (6) evaluating the progress of children, caregivers, and families receiving services;
- (7) assuring that the rights of children, caregivers, and families receiving services are protected;
- (8) duties relating to family-based safety services ordered by a court, including:
 - (A) providing any required notifications or consultations;
 - (B) preparing court reports;
 - (C) attending judicial hearings, trials, and mediations;

(D) complying with applicable court orders; and

(E) ensuring the child is progressing toward the goal of permanency within state and federally mandated guidelines; and

(9) any other function or service that the department determines is necessary to allow a single source continuum contractor to assume responsibility for case management.

(b) The department shall develop and implement in two child protective services regions of the state a pilot program under which the commission contracts with a single nonprofit entity that has an organizational mission focused on child welfare or a governmental entity in each region to provide family-based safety services and case management for children and families receiving family-based safety services. The contract must include a transition plan for the provision of services that ensures the continuity of services for children and families in the selected regions.

(c) The contract with an entity must include performance-based provisions that require the entity to achieve the following outcomes for families receiving services from the entity:

(1) a decrease in recidivism;

(2) an increase in protective factors; and

(3) any other performance-based outcome specified by the department.

(d) The commission may only contract for implementation of the pilot program with entities that the department considers to have the capacity to provide, either directly or through subcontractors, an array of evidence-based, promising practice, or evidence-informed services and support programs to children and families in the selected child protective services regions.

(e) The contracted entity must perform all statutory duties of the department in connection with the delivery of the services specified in Subsection (b).

(f) The contracted entity must give preference for employment to employees of the department:

(1) whose position at the department is impacted by the implementation of community-based care; and

(2) who are considered by the department to be employees in good standing.

(g) Not later than December 31, 2018, the department shall report to the appropriate standing committees of the legislature having jurisdiction over child protective services and foster care matters on the progress of the pilot program. The report must include:

(1) an evaluation of each contracted entity's success in achieving the outcomes described by Subsection (c); and

(2) a recommendation as to whether the pilot program should be continued, expanded, or terminated.

(b) Section 264.126, Family Code, is transferred to Subchapter B-1, Chapter 264, Family Code, as added by this section, redesignated as Section 264.153, Family Code, and amended to read as follows:

Sec. 264.153 ~~[264.126]~~. **COMMUNITY-BASED CARE [REDESIGN] IMPLEMENTATION PLAN.** (a) The department shall develop and maintain a plan for implementing community-based ~~[the foster]~~ care ~~[redesign required by Chapter 598 (S.B. 218), Acts of the 82nd Legislature, Regular Session, 2011]~~. The plan must:

(1) describe the department's expectations, goals, and approach to implementing community-based ~~[foster]~~ care ~~[redesign]~~;

(2) include a timeline for implementing community-based ~~[the foster]~~ care ~~[redesign]~~ throughout this state, any limitations related to the implementation, and a progressive intervention plan and a contingency plan to provide continuity of the delivery of foster care services and services for relative and kinship caregivers ~~[service delivery]~~ if a contract with a single source continuum contractor ends prematurely;

(3) delineate and define the case management roles and responsibilities of the

department and the department's contractors and the duties, employees, and related funding that will be transferred to the contractor by the department;

(4) identify any training needs and include long-range and continuous plans for training and cross-training staff, *including plans to train caseworkers using the standardized curriculum created by the human trafficking prevention task force under Section 402.035(d)(6), Government Code, as that section existed on August 31, 2017;*

(5) include a plan for evaluating the costs and tasks associated with each contract procurement, including the initial and ongoing contract costs for the department and contractor;

(6) include the department's contract monitoring approach and a plan for evaluating the performance of each contractor and the *community-based [foster] care [redesign]* system as a whole that includes an independent evaluation of *each contractor's* processes and *fiscal and qualitative* outcomes; and

(7) include a report on transition issues resulting from implementation of *community-based [the-foster] care [redesign]*.

(b) The department shall annually:

(1) update the implementation plan developed under this section and post the updated plan on the department's Internet website; and

(2) post on the department's Internet website the progress the department has made toward its goals for implementing *community-based [the-foster] care [redesign]*.

(c) Section 264.154, Family Code, as added by this section, applies only to a contract entered into with a single source continuum contractor on or after the effective date of this section.

SECTION 19. (a) Subchapter C, Chapter 264, Family Code, is amended by adding Section 264.2042 to read as follows:

Sec. 264.2042. GRANTS FOR FAITH-BASED COMMUNITY COLLABORATIVE PROGRAMS. (a) Using available funds or private donations, the governor shall establish and administer an innovation grant program to award grants to support faith-based community programs that collaborate with the department and the commission to improve foster care and the placement of children in foster care.

(b) A faith-based community program is eligible for a grant under this section if:

(1) the effectiveness of the program is supported by empirical evidence; and

(2) the program has demonstrated the ability to build connections between faith-based, secular, and government stakeholders.

(c) The regional director for the department in the region where a grant recipient program is located, or the regional director's designee, shall serve as the liaison between the department and the program for collaborative purposes. For a program that operates in a larger region, the department may designate a liaison in each county where the program is operating. The department or the commission may not direct or manage the operation of the program.

(d) The initial duration of a grant under this section is two years. The governor may renew a grant awarded to a program under this section if funds are available and the governor determines that the program is successful.

(e) The governor may not award to a program grants under this section totaling more than \$300,000.

(f) The governor shall adopt rules to implement the grant program created under this section.

(b) As soon as practicable after the effective date of this section, the governor shall adopt rules for the implementation and administration of the innovation grant program established under Section 264.2042, Family Code, as added by this Act, and begin to award grants under the program.

SECTION 20. Subchapter A, Chapter 265, Family Code, is amended by adding Sec-

tion 265.0041 to read as follows:

Sec. 265.0041. COLLABORATION WITH INSTITUTIONS OF HIGHER EDUCATION. (a) *Subject to the availability of funds, the Health and Human Services Commission, on behalf of the department, shall enter into agreements with institutions of higher education to conduct efficacy reviews of any prevention and early intervention programs that have not previously been evaluated for effectiveness through a scientific research evaluation process.*

(b) *Subject to the availability of funds, the department shall collaborate with an institution of higher education to create and track indicators of child well-being to determine the effectiveness of prevention and early intervention services.*

SECTION 21. Section 265.005(b), Family Code, is amended to read as follows:

(b) A strategic plan required under this section must:

(1) identify methods to leverage other sources of funding or provide support for existing community-based prevention efforts;

(2) include a needs assessment that identifies programs to best target the needs of the highest risk populations and geographic areas;

(3) identify the goals and priorities for the department's overall prevention efforts;

(4) report the results of previous prevention efforts using available information in the plan;

(5) identify additional methods of measuring program effectiveness and results or outcomes;

(6) identify methods to collaborate with other state agencies on prevention efforts; [and]

(7) identify specific strategies to implement the plan and to develop measures for reporting on the overall progress toward the plan's goals; and

(8) *identify specific strategies to increase local capacity for the delivery of prevention and early intervention services through collaboration with communities and stakeholders.*

SECTION 22. Section 266.012, Family Code, is amended by adding Subsection (c) to read as follows:

(c) *A single source continuum contractor under Subchapter B-1, Chapter 264, providing therapeutic foster care services to a child shall ensure that the child receives a comprehensive assessment under this section at least once every 90 days.*

SECTION 23. (a) Section 531.02013, Government Code, is amended to read as follows:

Sec. 531.02013. FUNCTIONS REMAINING WITH CERTAIN AGENCIES. The following functions are not subject to transfer under Sections 531.0201 and 531.02011:

(1) the functions of the Department of Family and Protective Services, including the statewide intake of reports and other information, related to the following:

(A) child protective services, including services that are required by federal law to be provided by this state's child welfare agency;

(B) adult protective services, other than investigations of the alleged abuse, neglect, or exploitation of an elderly person or person with a disability:

(i) in a facility operated, or in a facility or by a person licensed, certified, or registered, by a state agency; or

(ii) by a provider that has contracted to provide home and community-based services; [and]

(C) prevention and early intervention services; and

(D) *investigations of alleged abuse, neglect, or exploitation occurring at a child-care facility, as that term is defined in Section 40.042, Human Resources Code; and*

(2) the public health functions of the Department of State Health Services, including health care data collection and maintenance of the Texas Health Care Information Collection program.

(b) Notwithstanding any provision of Subchapter A–1, Chapter 531, Government Code, or any other law, the responsibility for conducting investigations of reports of abuse, neglect, or exploitation occurring at a child-care facility, as that term is defined in Section 40.042, Human Resources Code, as added by this Act, may not be transferred to the Health and Human Services Commission and remains the responsibility of the Department of Family and Protective Services.

(c) As soon as possible after the effective date of this section, the commissioner of the Department of Family and Protective Services shall transfer the responsibility for conducting investigations of reports of abuse, neglect, or exploitation occurring at a child-care facility, as that term is defined in Section 40.042, Human Resources Code, as added by this Act, to the child protective services division of the department. The commissioner shall transfer appropriate investigators and staff as necessary to implement this section.

(d) This section takes effect immediately if this Act receives a vote of two-thirds of all the members of each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for this section to take immediate effect, this section takes effect on the 91st day after the last day of the legislative session.

SECTION 24. (a) Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.0054 to read as follows:

Sec. 533.0054. HEALTH SCREENING REQUIREMENTS FOR ENROLLEE UNDER STAR HEALTH PROGRAM. (a) A managed care organization that contracts with the commission to provide health care services to recipients under the STAR Health program must ensure that enrollees receive a complete early and periodic screening, diagnosis, and treatment checkup in accordance with the requirements specified in the contract between the managed care organization and the commission.

(b) The commission shall include a provision in a contract with a managed care organization to provide health care services to recipients under the STAR Health program specifying progressive monetary penalties for the organization's failure to comply with Subsection (a).

(b) The Health and Human Services Commission shall, in a contract for the provision of health care services under the STAR Health program between the commission and a managed care organization under Chapter 533, Government Code, that is entered into, renewed, or extended on or after the effective date of this section, require that the managed care organization comply with Section 533.0054, Government Code, as added by this section.

(c) The Health and Human Services Commission may not impose a monetary penalty for noncompliance with a contract provision described by Section 533.0054(b), Government Code, as added by this section, until September 1, 2018.

(d) If before implementing Section 533.0054, Government Code, as added by this section, the Health and Human Services Commission determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 25. (a) Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.0056 to read as follows:

Sec. 533.0056. STAR HEALTH PROGRAM: NOTIFICATION OF PLACEMENT CHANGE. A contract between a managed care organization and the commission for the organization to provide health care services to recipients under the STAR Health program must require the organization to ensure continuity of care for a child whose placement has changed by:

(1) notifying each specialist treating the child of the placement change; and

(2) *coordinating the transition of care from the child's previous treating primary care physician and treating specialists to the child's new treating primary care physician and treating specialists, if any.*

(b) The changes in law made by this section apply only to a contract for the provision of health care services under the STAR Health program between the Health and Human Services Commission and a managed care organization under Chapter 533, Government Code, that is entered into, renewed, or extended on or after the effective date of this section.

(c) If before implementing Section 533.0056, Government Code, as added by this section, the Health and Human Services Commission determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the health and human services agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 26. (a) Subchapter B, Chapter 40, Human Resources Code, is amended by adding Sections 40.039, 40.040, 40.041, and 40.042 to read as follows:

Sec. 40.039. REVIEW OF RECORDS RETENTION POLICY. The department shall periodically review the department's records retention policy with respect to case and intake records relating to department functions. The department shall make changes to the policy consistent with the records retention schedule submitted under Section 441.185, Government Code, that are necessary to improve case prioritization and the routing of cases to the appropriate division of the department. The department may adopt rules necessary to implement this section.

Sec. 40.040. CASE MANAGEMENT VENDOR QUALITY OVERSIGHT AND ASSURANCE DIVISION; MONITORING OF CONTRACT ADHERENCE. (a) In this section, "case management," "catchment area," and "community-based care" have the meanings assigned by Section 264.152, Family Code.

(b) The department shall create within the department the case management services vendor quality oversight and assurance division. The division shall:

(1) oversee quality and ensure accountability of any vendor that provides community-based care and full case management services for the department under community-based care;

(2) conduct assessments on the fiscal and qualitative performance of any vendor that provides foster care services for the department under community-based care;

(3) create and administer a dispute resolution process to resolve conflicts between vendors that contract with the department to provide foster care services under community-based care and any subcontractor of a vendor; and

(4) monitor the transfer from the department to a vendor of full case management services for children and families receiving services from the vendor, including any transfer occurring under a pilot program.

(c) The commission shall contract with an outside vendor with expertise in quality assurance to develop, in coordination with the department, a contract monitoring system and standards for the continuous monitoring of the adherence of a vendor providing foster care services under community-based care to the terms of the contract entered into by the vendor and the commission. The standards must include performance benchmarks relating to the provision of case management services in the catchment area where the vendor operates.

(d) The division shall collect and analyze data comparing outcomes on performance measures between catchment areas where community-based care has been implemented and regions where community-based care has not been implemented.

Sec. 40.041. OFFICE OF DATA ANALYTICS. The department shall create an office of data analytics. The office shall report to the deputy commissioner and may perform any of the following functions, as determined by the department:

(1) monitor management trends;

- (2) *analyze employee exit surveys and interviews;*
- (3) *evaluate the effectiveness of employee retention efforts, including merit pay;*
- (4) *create and manage a system for handling employee complaints submitted by the employee outside of an employee's direct chain of command, including anonymous complaints;*
- (5) *monitor and provide reports to department management personnel on:*
 - (A) *employee complaint data and trends in employee complaints;*
 - (B) *compliance with annual department performance evaluation requirements;**and*
 - (C) *the department's use of positive performance levels for employees;*
- (6) *track employee tenure and internal employee transfers within both the child protective services division and the department;*
- (7) *use data analytics to predict workforce shortages and identify areas of the department with high rates of employee turnover, and develop a process to inform the deputy commissioner and other appropriate staff regarding the office's findings;*
- (8) *create and monitor reports on key metrics of agency performance;*
- (9) *analyze available data, including data on employee training, for historical and predictive department trends; and*
- (10) *conduct any other data analysis the department determines to be appropriate for improving performance, meeting the department's current business needs, or fulfilling the powers and duties of the department.*

Sec. 40.042. INVESTIGATIONS OF CHILD ABUSE, NEGLECT, AND EXPLOITATION. (a) *In this section, "child-care facility" includes a facility, licensed or unlicensed child-care facility, family home, residential child-care facility, employer-based day-care facility, or shelter day-care facility, as those terms are defined in Chapter 42.*

(b) *For all investigations of child abuse, neglect, or exploitation conducted by the child protective services division of the department, the department shall adopt the definitions of abuse, neglect, and exploitation provided in Section 261.001, Family Code.*

(c) *The department shall establish standardized policies to be used during investigations.*

(d) *The commissioner shall establish units within the child protective services division of the department to specialize in investigating allegations of child abuse, neglect, and exploitation occurring at a child-care facility.*

(e) *The department may require that investigators who specialize in allegations of child abuse, neglect, and exploitation occurring at child-care facilities receive ongoing training on the minimum licensing standards for any facilities that are applicable to the investigator's specialization.*

(f) *After an investigation of abuse, neglect, or exploitation occurring at a child-care facility, the department shall provide the state agency responsible for regulating the facility with access to any information relating to the department's investigation. Providing access to confidential information under this subsection does not constitute a waiver of confidentiality.*

(g) *The department may adopt rules to implement this section.*

(b) *As soon as possible after the effective date of this Act, the commissioner of the Department of Family and Protective Services shall establish the office of data analytics required by Section 40.041, Human Resources Code, as added by this section. The commissioner and the executive commissioner of the Health and Human Services Commission shall transfer appropriate staff as necessary to conduct the duties of the office.*

(c) *The Department of Family and Protective Services must implement the standardized definitions and policies required under Sections 40.042(b) and (c), Human Resources Code, as added by this Act, not later than December 1, 2017.*

SECTION 27. (a) Section 40.058(f), Human Resources Code, is amended to read as follows:

(f) A contract for residential child-care services provided by a general residential operation or by a child-placing agency must include provisions that:

(1) enable the department *and commission* to monitor the effectiveness of the services;

(2) specify performance outcomes, *financial penalties for failing to meet any specified performance outcomes, and financial incentives for exceeding any specified performance outcomes*;

(3) authorize the department *or commission* to terminate the contract or impose *monetary* sanctions for a violation of a provision of the contract that specifies performance criteria *or for underperformance in meeting any specified performance outcomes*;

(4) authorize the department *or commission*, an agent of the department *or commission*, and the state auditor to inspect all books, records, and files maintained by a contractor relating to the contract; and

(5) are necessary, as determined by the department *or commission*, to ensure accountability for the delivery of services and for the expenditure of public funds.

(b) The Health and Human Services Commission shall, in a contract for residential child-care services between the commission and a general residential operation or child-placing agency that is entered into on or after the effective date of this section, including a renewal contract, include the provisions required by Section 40.058(f), Human Resources Code, as amended by this section.

(c) The Health and Human Services Commission shall seek to amend contracts for residential child-care services entered into with general residential operations or child-placing agencies before the effective date of this section to include the provisions required by Section 40.058(f), Human Resources Code, as amended by this section.

(d) The Department of Family and Protective Services and the Health and Human Services Commission may not impose a financial penalty against a general residential operation or child-placing agency under a contract provision described by Section 40.058(f)(2) or (3), Human Resources Code, as amended by this section, until September 1, 2018.

SECTION 28. (a) Subchapter C, Chapter 40, Human Resources Code, is amended by adding Section 40.0581 to read as follows:

Sec. 40.0581. PERFORMANCE MEASURES FOR CERTAIN SERVICE PROVIDER CONTRACTS. (a) The commission, in collaboration with the department, shall contract with a vendor or enter into an agreement with an institution of higher education to develop, in coordination with the department, performance quality metrics for family-based safety services and post-adoption support services providers. The quality metrics must be included in each contract with those providers.

(b) Each provider whose contract with the commission to provide department services includes the quality metrics developed under Subsection (a) must prepare and submit to the department a report each calendar quarter regarding the provider's performance based on the quality metrics.

(c) The commissioner shall compile a summary of all reports prepared and submitted to the department by family-based safety services providers as required by Subsection (b) and distribute the summary to appropriate family-based safety services caseworkers and child protective services region management once each calendar quarter.

(d) The commissioner shall compile a summary of all reports prepared and submitted to the department by post-adoption support services providers as required by Subsection (b) and distribute the summary to appropriate conservatorship and adoption caseworkers and child protective services region management.

(e) The department shall make the summaries prepared under Subsections (c) and (d) available to families that are receiving family-based safety services and to adoptive families.

(f) *This section does not apply to a provider that has entered into a contract with the commission to provide family-based safety services under Section 264.169, Family Code.*

(b) The quality metrics required by Section 40.0581, Human Resources Code, as added by this section, must be developed not later than September 1, 2018, and included in any contract, including a renewal contract, entered into by the Health and Human Services Commission with a family-based safety services provider or a post-adoption support services provider on or after January 1, 2019, except as provided by Section 40.0581(f), Human Resources Code, as added by this section.

SECTION 29. Section 42.002(23), Human Resources Code, is amended to read as follows:

(23) "Other maltreatment" means:

(A) abuse, as defined by Section 261.001 [~~or 261.401~~], Family Code; or

(B) neglect, as defined by Section 261.001 [~~or 261.401~~], Family Code.

SECTION 30. (a) Subchapter C, Chapter 42, Human Resources Code, is amended by adding Section 42.0432 to read as follows:

Sec. 42.0432. HEALTH SCREENING REQUIREMENTS FOR CHILD PLACED WITH CHILD-PLACING AGENCY. (a) A child-placing agency or general residential operation that contracts with the department to provide services must ensure that the children that are in the managing conservatorship of the department and are placed with the child-placing agency or general residential operation receive a complete early and periodic screening, diagnosis, and treatment checkup in accordance with the requirements specified in the contract between the child-placing agency or general residential operation and the department.

(b) The commission shall include a provision in a contract with a child-placing agency or general residential operation specifying progressive monetary penalties for the child-placing agency's or general residential operation's failure to comply with Subsection (a).

(b) A child-placing agency or general residential operation that contracts to provide services for the Department of Family and Protective Services must comply with the requirements of Section 42.0432, Human Resources Code, as added by this section, not later than August 31, 2018. The department and the Health and Human Services Commission may not impose a monetary penalty for noncompliance with a contract provision described by that section until September 1, 2018.

SECTION 31. Section 42.044(c-1), Human Resources Code, is amended to read as follows:

(c-1) The department:

(1) shall investigate a listed family home if the department receives a complaint that:

(A) a child in the home has been abused or neglected, as defined by Section 261.001 [~~261.401~~], Family Code; or

(B) otherwise alleges an immediate risk of danger to the health or safety of a child being cared for in the home; and

(2) may investigate a listed family home to ensure that the home is providing care for compensation to not more than three children, excluding children who are related to the caretaker.

SECTION 32. Section 261.401(a), Family Code, is repealed.

SECTION 33. The changes in law made by this Act to Section 263.401, Family Code, apply only to a suit affecting the parent-child relationship filed on or after the effective date of this Act. A suit affecting the parent-child relationship filed before the effective date of this Act is governed by the law in effect on the date the suit was filed, and the former law is continued in effect for that purpose.

SECTION 34. Except as otherwise provided by this Act, this Act takes effect September 1, 2017.

Passed the Senate on March 1, 2017: Yeas 31, Nays 0; May 25, 2017, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 26, 2017, House granted request of the Senate; May 28, 2017, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0; passed the House, with amendments, on May 19, 2017: Yeas 109, Nays 34, one present not voting; May 26, 2017, House granted request of the Senate for appointment of Conference Committee; May 28, 2017, House adopted Conference Committee Report by the following vote: Yeas 107, Nays 41, one present not voting.

Approved May 31, 2017.

Effective September 1, 2017, except as otherwise provided by this Act.